

INTERPRETIVE LETTER 11-01 March 14, 2011

Amends Interpretive Letter 10-04 (July 2, 2010)

EMPLOYEES OF ILLINOIS CHARTERED BANKS AND THRIFTS ARE NOT SUBJECT TO LICENSURE UNDER THE S.A.F.E. ACT, BUT THEY MUST REGISTER WITH THE NMLSR.¹

Must employees of Illinois chartered banks and thrifts obtain a license under the S.A.F.E. Act?

No. The Illinois Department of Financial and Professional Regulation, Division of Banking, Bureau of Banks, Trust Companies and Savings Institutions (“Division”) finds that employees of Illinois chartered banks and thrifts are not subject to licensure under Title V of the Housing and Economic Recovery Act of 2008, 12 USCA §5101 et seq. (“S.A.F.E. Act”). However, employees of Illinois chartered banks and thrifts must register with the Nationwide Mortgage Licensing System and Registry (“NMLS”)² and obtain a unique loan originator identification number from the NMLS.

When do I have to complete my registration?

Any mortgage loan originator who is an employee of an Illinois chartered bank or thrift and whose origination activities are solely within the scope of that employment is required to be registered on the NMLSR no later than July 29, 2011.

Has a rule been established by the federal banking agencies to implement registration requirements for employees of Illinois chartered banks and thrifts?

Yes. The federal banking agencies have jointly developed a final rule creating a Federal registration system for individual employees of Illinois chartered banks and thrifts, and/or their first-tier subsidiaries, who engage in the business of residential mortgage loan origination.

What does it mean to be “registered” and what are the requirements of registration?

Under the final rule³ Individual residential mortgage loan originators employed by Agency-regulated institutions must:

- O Register with the Registry and maintain their registration.
- O Obtain a unique identifier through the Registry that will remain with that originator, regardless of employment changes. Mortgage loan originators and their employing institutions must provide their unique identifiers to consumers.

¹This response is meant solely as a general overview of the applicable law and should not be relied upon as legal advice or counsel.

²For more information on the NMLSR please see <http://mortgage.nationwidelicencingsystem.org/fedreg/Pages/default.aspx>. (last accessed on March 14, 2011).

³The final rule explains that Agency-regulated institutions are: national and state banks, savings associations, and their applicable subsidiaries, credit unions, Farm Credit System institutions, branches and agencies of foreign banks, and certain other foreign entities.

Agency-regulated institutions must:

- O Require their employees who are mortgage loan originators to comply with these requirements.
- O Adopt and follow written policies and procedures to assure compliance with the registration requirements.

Where can I get more information about Federal registration?

Questions regarding the S.A.F.E.visit, <http://www.ffiec.gov/safeact.htm>

or <http://mortgage.nationwidelicensingsystem.org/fedreg/Pages/default.aspx>.